



June 22, 2010

To: Evidentiary Medical Training
California Multi-Jurisdictional Methamphetamine Enforcement Teams (Cal-MMET)
Vertical Prosecution Block Grant Program
California Gang Violence Suppression Program
CALGANG
Multi-Agency Gang Enforcement Consortium (MAGEC)
Rural Crime Prevention
Sexual Assault Felony Enforcement (SAFE)
High Technology Theft Apprehension & Prosecution Program

Subject: Updated Local Safety and Protection Account (LSPA) Information

The California Emergency Management Agency (Cal EMA) is making every effort to keep you informed of the status of the LSPA funds. In Fiscal Year (FY) 2008/09, the above referenced programs were split-funded to include both General Fund and LSPA funds. For FY 2009/10, only LSPA funds were allocated to these programs.

Cal EMA awarded grants based on anticipated revenues of approximately \$55 million in LSPA funds for FY 2009/10. However, the LSPA is a Revenue & Taxation fund source, and therefore is contingent upon generated revenue. As fees are paid into the fund, a specified percentage is then allocated in support of the above referenced programs. Therefore, payment of invoices for costs incurred by these programs is contingent upon collection of fees and availability of funds.

After a full analysis of the LSPA Fund, Cal EMA has verified that as long as the fee collection continues at its current rate, the anticipated allocation of \$55 million with an ending grant period of June 30, 2010 will not be met. Revenue projections for these programs are lower than the original FY 2009/10 estimate by approximately 20 percent. Therefore, **Cal EMA will extend the end date of your current grant award from June 30, 2010 through June 30, 2011**, to ensure that, at a minimum, the original commitment of 2008 and 2009 LSPA funding for FY 2009/10 is met. **Although the grant period will be extended one year, there is no guarantee that revenues accrued will provide a full year's worth of funding.**

Because these revenues are derived from the Vehicle License Fee paid on automobile registrations, we are unable to provide a specific dollar amount for each grant beyond the original FY 2009/10 commitment. Though this fee is set to expire on June 30, 2011, revenues will continue to accrue to the LSPA after June 30. These funds are continuously appropriated without regard to fiscal year and will be distributed to your programs, by function of law, until the balance in the LSPA is fully depleted. Pursuant to Revenue and Taxation Code Section

10752.2, as **sufficient revenues are accrued, Cal EMA will augment your extended grant award.** Cal EMA will provide quarterly revenue updates via webinars and conference calls, from which a Question and Answer (Q&A) document will be developed and accessible to you online for your planning purposes.

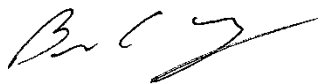
At this time, a State Budget for FY 2010/11 has not been enacted. However, because the LSPA is continuously appropriated, your programs should not experience funding delays if there is a budget stalemate. It should also be noted that the Governor's May Revision proposes to replace the LSPA funding source with a continuous General Fund appropriation beginning in FY 2010/11. If adopted by the Legislature, this will eliminate the uncertainty of revenues associated with the LSPA and will restore your program funds to the levels in place when they were funded solely by the General Fund.

Accordingly, this letter shall serve as your formal notice that these programs will be extended from June 30, 2010 to June 30, 2011. Augmentations will be granted when sufficient revenues have been accrued. Amendment paperwork will be provided to the individual projects by the end of June.

Reimbursement of costs incurred may still be significantly delayed contingent upon generated revenue and availability of LSPA funds. Cal EMA will continue to provide updates as needed.

If you should have any questions regarding LSPA funds, please contact Stacy Mason-Vegna, Public Safety Branch Chief, stacy.mason-vegna@calema.ca.gov.

Sincerely,



BRENDAN A. MURPHY
Director of Grants Management